

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



December 22, 2003

ALL COUNTY LETTER NO. 03-64

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS
ALL FSET COORDINATORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☒ Federal Law or Regulation Change
- ☐ Court Order
- ☒ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: FOOD STAMP WORK REQUIREMENTS, FOOD STAMP EMPLOYMENT AND TRAINING (FSET), AND ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWDs) WORK RULES EMERGENCY REGULATION (ORD #1202-28)

REFERENCE: 7 CODE OF FEDERAL REGULATIONS 273.7 (August 19, 2002) AND .24 (October 1, 2001); THE FOOD STAMP REAUTHORIZATION ACT OF 2002, PUBLIC LAW 107-171; ALL COUNTY LETTER (ACL) NO. 02-49 (dated July 12, 2002); ACL 03-08 (dated February 11, 2003); ALL COUNTY INFORMATION NOTICE I-20-03 (dated April 17, 2003)

This letter transmits post-hearing emergency regulations, ORD #1202-28, for the non-assistance Food Stamp (NAFS) recipient's work requirements, the FSET Program, and ABAWD work rules, which went into effect on August 8, 2003. This emergency regulation package has received an exemption from the Governor's Executive Order S-2-03, which required further review of all regulatory changes before they could be released. The Certificate of Compliance was submitted to the Office of Administrative Law on December 8, 2003, and will be filed with the Secretary of State with an effective date of January 22, 2004. Copies of the emergency regulations were provided to County Food Stamp and FSET Coordinators on September 4, 2003, and county welfare directors on August 28, 2003. County welfare departments (CWDs) must retroactively apply the emergency regulations to August 8, 2003.

Background:

The emergency regulations are a result of the U.S. Department of Agriculture, Food and Nutrition Service (FNS) issuing the final rules for food stamp work requirements and the ABAWD work rule; various FNS policy interpretations issued in Administrative Notices, correspondence and e-mails; and the Food Stamp Reauthorization Act of 2002.

On September 17, 2003, a public hearing was held for the emergency regulations with no public testimony being filed. Even though there was no testimony, a 15-day re-notice was issued as a result of an FNS correspondence dated July 25, 2003, a policy interpretation received on September 16, 2003, and internal review.

Summary of Regulatory Change:

Significant regulatory amendments are listed below. In addition, we are including the post-hearing modifications. References in this transmittal letter related to the post-hearing changes are in "*italics*." In the attached emergency regulations, the post-hearing changes are in "**bold**" print for ease of identification. The Certificate of Compliance for the emergency regulations will become effective upon filing with the Secretary of State, which will take place in January 2004.

- **Sections 63-407.52, .53 and .611; Sections 63-408.31 and .62:** Specifies that, if during a work registration disqualification period an individual meets one of the work requirement exemptions, the individual may resume receiving food stamps without reapplying.

The post-hearing modification changes these sections to clarify an individual must "reapply" to regain food stamp eligibility. These adjustments are to comply with FNS policy interpretation received on September 16, 2003, which states the term "resume" used in federal regulations means the individual may reapply.

- **Section 63-407.61:** States individuals, who are disqualified from food stamps, may reapply after the disqualification period ends as long as the individual is otherwise eligible and in compliance with the food stamp work requirements. Previously, disqualified individuals had to comply with the specific work requirement violation to "cure" or end the disqualification period.
- **Section 63-407.831 et seq.:** Repeals the \$25 cap for reimbursement of FSET transportation and ancillary costs.

The post-hearing change adds general guidelines for determining reasonable and necessary expenses essential for an individual to participate in FSET.

- **Section 63-408.11** The voluntary quit hours are increased from 20 to 30 to be consistent with the reduction of work effort hours, which is 30 hours per week. In addition, it states that an applicant, who voluntarily quits a job of 30 hours or more per week within 60 days of application, shall be denied food stamps from the date of ineligibility determination for one, three, or six months depending on the instance of noncompliance. Previously, an applicant, who quit a job of 20 hours or more per week, was denied food stamps for 90 days beginning the date he/she quit the job.
- **Section 63-408.12:** Adds that an applicant, who reduces his/her work effort of 30 hours or more within 60 days of application, shall be denied food stamps from the date of the ineligibility determination for one, three, or six months depending on the instance of noncompliance. Previously, applicants, who reduced their work effort below 30 hours within 60 days of the date of application, were not disqualified from receiving food stamps.

- **Section 63-408.121:** Specifies that food stamp applicants working in jobs of less than 30 hours a week, who reduce their work hours within 60 days of application, shall not be denied food stamps. This provision is being adopted to ensure that CWDs do not deny food stamps to these applicants.
- **Section 63-408.213(a):** Repeals the 90 day disqualification period for individuals who voluntarily quit a job within 60 days of application and adopts the one, three or six month disqualification periods in its place.
- **Section 63-408.61:** Specifies individuals employed 30 hours or more per week, who voluntarily quit or reduce their work hours to less than 30 hours per week, may only regain eligibility at the end of a disqualification or denial period. Previously, an individual could end, or “cure,” a disqualification period at any time by securing a new job that was comparable in salary to the job quit or, if reduced work effort, increase work hours to 30 or more per week.
- **Section 63-410.221:** Allows CWDs to count a month in which an individual missed work hours in a job of 80 hours averaged per month toward meeting the ABAWD work requirement if the individual had good cause. Previously, a month of less than 80 hours was counted as one of the three countable months even if the ABAWD had good cause.

The post-hearing modification adds Section 63-410.222 to specify that an ABAWD, who has good cause for not complying with his/her FSET assignment in a month, shall have met his/her FSET assignment and the ABAWD work requirement for that month. This policy interpretation is provided in FNS correspondence dated July 25, 2003.

- **Section 63-410.34:** Adds the 15 percent exemption to the ABAWD exemptions. The 15 percent exemption has always applied to ABAWDs, but it was not previously included in state regulations.
- **Section 63-410.52:** Amends language to state that the three consecutive countable months shall start on the date the individual notifies the CWD or when the CWD learns the individual is not meeting his/her ABAWD work requirements.

The post-hearing modification changes this section by requiring the issuance of an informing notice specifying a change in status. It is also modified to add that the three consecutive countable months will start on the first full month following the date the ABAWD notified the CWD, or the CWD learns, that the individual is no longer meeting the ABAWD work requirement. The start date modification for the three consecutive countable months is a result of the FNS correspondence dated July 25, 2003.

- **Section 63-410.523:** *The post-hearing modification deletes this section, which was inadvertently not repealed in the August 8 regulation package. This section allows an individual, who is no longer eligible to receive food stamps because he/she has*

exhausted his/her three consecutive countable months, to receive food stamps as soon as he/she starts meeting his/her ABAWD work requirement. This provision must be deleted because new federal regulations now require an ABAWD, who has used up his/her three consecutive countable months, to work at least 80 hours within 30 consecutive days to regain food stamp eligibility as currently provided in Section 63-410.51.

- **Section 63-411.22:** Specifies that for ABAWDs, who are California Food Assistance Program (CFAP) recipients, the 36-month calendar shall be restarted when the ABAWD begins receiving federal food stamps, and that the CWDs shall begin tracking the 36 months on the MEDS system.
- **Sections 63-503.442:** Adds that the resources, of an ABAWD who is discontinued for not meeting his/her ABAWD work requirements, shall be counted in its entirety with the remaining resources of the food stamp household members. A pro rata share of the income of the discontinued ABAWD shall be counted as income to the remaining household members. Previously, an ABAWD's resources were disregarded unless the ABAWD was discontinued due to an intentional Food Stamp Program violation.
- **Sections 63-505.34 and .517:** Adopts reporting language that states a household must report a reduction of work effort below 20 hours per week, or averaged 80 hours per month, for the purpose of determining whether an ABAWD has satisfied his/her work requirement.

Food Stamp Work Requirement and ABAWD Notices of Action

Revised notices of actions will be provided under separate letter. If you have any questions regarding these regulations, please contact Pat Loader, Special Projects Analyst, Employment Bureau, at (916) 654-1770.

Sincerely,

Original Document Signed By

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachment

c: CWDA
CSAC

Amend Sections 63-300.5(g)(3)(C) to read:

63-300 APPLICATION PROCESS (Continued)

63-300

.5 Verification (Continued)

(g) Verification of Questionable Information (Continued)

(3) Work Registration (Continued)

- (C) If a household member's claim of good cause for voluntary quit or reduction of work effort defined in Section 63-408.4 is questionable, the CWD shall request verification to support the good cause claim.
(Continued)

Authority Cited: Sections 10553 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 11023.5, 11348.5, 18904, and 18932, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 273.2(b)(ii), (c)(2)(i) and (ii), (c)(3), (c)(5), (e)(1), (e)(2), (e)(3), (f)(1)(i)(C), (ii)(B)(1), (2), (3), and (C), and (iii)(h)(1)(i)(D), and proposed (f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(3), (f)(3)(ii), (f)(8), (h), (h)(1)(i)(D), and (j)(1); 7 CFR 273.4(a)(2) and (10) and (c)(2); 7 CFR 273.7(i)(4) and (j)(1); 7 CFR 273.12(c) and (c)(3); 7 CFR 273.14(b)(3)(i), (iii) and (b)(4) and (e); 7 CFR 273.21(h)(2)(iv), (i), and (j)(3)(iii)(B); USDA Food and Nutrition Service Office, Western Region, Administrative Notice 84-56, Indexed Policy Memo 84-23; 7 U.S.C.A. 2020(e)(2); Americans with Disabilities Act (ADA), Public Law (P.L.) 101-336, 1990; U.S.D.A., Food and Consumer Services, Administrative Notice No. 94-22, dated January 7, 1994; Chapter 306, Statutes of 1988, and AB 1371, Chapter 306, Statutes of 1995; Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

Amend Sections 63-407.5, .6, and .8 to read:

63-407 WORK REGISTRATION REQUIREMENTS (Continued)

63-407

.5 Failure to Comply; Good Cause; Notification; and ~~Sanctions~~ Disqualifications (Continued)

.52 Within 10 days of determining that noncompliance with any of the ~~F~~food ~~S~~stamp work registration requirements at Section 63-407.4~~1~~ was without good cause, as specified in Section 63-407.51, the CWD shall issue a notice of adverse action informing the household of the ~~sanction~~ disqualification being imposed on the noncompliant ~~registrant~~ individual. In addition to the notification requirements specified in Section 63-504.21, the notice shall contain a description of the act of noncompliance, identify the minimum length of the food stamp ~~sanction~~ disqualification and ~~shall specify that if, at any time, the individual becomes exempt in accordance with Section 63-407.621, the sanction disqualification shall end and the individual may reapply for food stamps~~ **and the individual may reapply for food stamps** ~~and the individual may reapply for food stamps~~. Information describing the action that can be taken to avoid the ineligibility before the disqualification period begins must be included on or with the notice. The notice shall specify that the individual, if otherwise eligible, may apply for food stamp benefits at the end of the disqualification period. Information shall also be included describing the action which can be taken to end the sanction, in accordance with Section 63-407.612 when the minimum sanction period identified in Section 63-407.53 is completed. (Continued)

.53 For purposes of determining the appropriate ~~sanction~~ disqualification to apply, the CWD shall count any previous sanctions ~~and/or disqualifications~~ imposed on the ~~registrant~~ an individual for failing to comply with the requirements provisions of work registration in Sections 63-407.4; and unemployment, CalWORKs welfare-to-work ~~WTW~~, and other substitute work programs in Section 63-407.55~~4~~; and voluntary quit and reduction of work effort in Section 63-408. If the ~~registrant~~ individual qualifies for one of the exemptions listed at Section 63-407.621, during the minimum ~~sanction~~ disqualification period identified in Sections 63-407.531, .532 or .533, the ~~sanction~~ disqualification shall end and the ~~registrant~~ individual may ~~reapply and be approved for food stamps~~ **reapply and be approved for food stamps** ~~reestablish receipt of food stamps without reapplying~~ if otherwise eligible. **The start date of the disqualification period shall begin the first of the month following the month the individual is provided timely notice of adverse action.**

.531 The minimum duration of the first food stamp ~~sanction~~ disqualification shall ~~continue for is one month or until compliance is achieved, whichever is longer.~~

.532 The minimum duration of the second food stamp ~~sanction~~ disqualification shall ~~continue for is three months or until compliance is achieved, whichever is longer.~~

.533 The minimum duration of the third or subsequent food stamp sanction disqualification ~~shall continue for is~~ six months ~~or until compliance is achieved, whichever is longer.~~ (Continued)

~~.55 The good cause, notification, and sanction requirements identified in Sections 63-407.51, .52, and .53 shall also apply when a work registrant reduces hours worked to less than 30 per week.~~

~~.551 An individual identified in Section 63-407.55 shall not be subject to sanctions if, at the time hours are reduced, that person meets any of the work registration exemptions at Section 63-407.21, other than the exemption at Section 63-407.21(g).~~

.6 Ending a Disqualification Period

~~.61 If an individual is otherwise eligible f~~Following the completion of the a minimum ~~sanction disqualification~~ period identified in Section 63-407.53, an individual who is otherwise eligible, eligibility may be reestablished if the individual: apply for food stamps and be approved if the CWD determines the individual is in compliance with the food stamp work registration requirements defined in Section 63-407.4. For the purpose of this provision, in compliance means the individual is fulfilling one of the food stamp work registration requirements, or he/she agrees to fulfill the requirements as specified by the CWD at application.

~~.611 If an individual B~~becomes exempt in accordance with Sections 63-407.21 or **63-401.3.63-410.3** during a disqualification period, the individual may reestablish food stamp eligibility **without** by reapplying for food stamp benefits if otherwise eligible. (Continued)

~~.612 Complies as follows:~~

- ~~(a) If the individual was disqualified for refusal to respond to a request for supplemental information regarding employment status or availability for work, the individual shall comply with the request.~~
- ~~(b) If the individual was disqualified for refusal to report to an employer, the individual shall report to this employer if work is still available or to another employer to whom referred.~~
- ~~(c) If the individual was disqualified for refusal to accept a bona fide offer of suitable employment, the individual shall accept this employment, if still available to the participant; accept any other employment which yields earnings per week equivalent to the refused job; or accept any other employment of at least 30 hours per week, or which yields weekly earnings equal to the federal minimum wage multiplied by 30 hours.~~

- (d) ~~If the individual refused to comply with an employment and training assignment, the individual shall comply with the assignment or another assignment.~~
- (e) ~~If the individual was disqualified for reducing hours worked in accordance with Section 63-407.55, the individual shall increase hours worked to a minimum of 30 hours per week.~~

.62 An individual ~~subject to the ABAWD work requirements of Section 63-410~~, who is ~~also~~ disqualified for not meeting the food stamp work requirements (e.g., not accepting a job offer) and is discontinued for failing to comply with the 80 hours per month ABAWD work requirement with the requirements of that section, may ~~not~~ regain food stamp eligibility if after the disqualification period has ended, he/she complies with ~~until the conditions requirements of Section 63-410.5 are met or becomes exempt under Section 63-410.3 during the disqualification period.~~ (Continued)

.8 Food Stamp Employment and Training (FSET) Program

.81 CWD Screening (Continued)

.811 The following ~~registrants~~ individuals shall be deferred from mandatory participation until the CWD determines that the situation precluding FSET participation no longer exists. (Continued)

- (c) A person who is unable to participate due to personal circumstances. This shall include persons who: (Continued)

(2) Lack transportation to an FSET Program site, which is defined as:

(A) ~~Lack of transportation is defined as:~~ Private or public transportation is not available at reasonable times on a regular basis; or

(B) Monthly ~~Transportation~~ costs plus other costs of participation (excluding dependent care costs) that exceed \$25.00 per month the amounts as determined in Section 63-407.831. (Continued)

.83 Participant Reimbursement

~~As of July 1, 1989 and thereafter,~~ The CWD shall reimburse participants, including volunteers and applicants, for costs that are reasonably necessary and directly related to participation as specified in Sections 63-407.831; and .832 and .833. The CWD shall inform each participant that allowable expenses ~~up to the amounts~~ identified in this section shall be reimbursed upon presentation of appropriate documentation.

.831 ~~For transportation and other costs (except for dependent care costs), the CWD shall provide reimbursement of up to \$25.00 per participant per month. The CWD shall provide reimbursement payments for the actual costs of transportation and other FSET participation expenses (other than dependent care costs) that are reasonable and necessary and directly related to participation in the FSET program. These payments shall be provided as either a reimbursement for expenses incurred or in advance as payment for anticipated expenses in the coming month.~~

(a) In addition to transportation costs, training or education related expenses include, but are not limited to, the costs of uniforms, personal safety items or other necessary equipment, and books or training manuals. Such expenses shall not include the cost of meals away from home.

(1) CWDs shall determine the level of reimbursement or advance.

(A) The level of reimbursement or advance shall be defined in the county FSET plan and approved by CDSS.

(2) The CWD shall maintain written policy and procedures for the reimbursement of transportation and ancillary expenses.

(3) The CWD's policy and procedures shall be made available to FSET participants.

(b) **Reasonable and necessary as it applies to transportation means:**

(1) **The least costly form of public transportation, including CWD provided transportation that would not preclude participation in an FSET activity.**

(2) **If there is no public transportation available that meets these requirements, participants may use their own vehicles. Participants shall be reimbursed at one the of the following rates:**

(A). **The CWD shall select an existing reimbursement rate used in the county, or**

(B) **The CWD shall develop a rate that covers necessary costs.**

(C) **The reimbursement rate may not include a "cap" or maximum monthly reimbursement amount, beyond which additional miles driven are not reimbursed.**

(3) Parking for FSET participants shall be reimbursed at actual cost. Individuals shall submit receipts for this purpose, except in cases where parking meters are used.

(4) FSET participants who choose to use their own vehicles when public transportation is available will be reimbursed at the least expensive reimbursement rate of available transportation pursuant to Section 63-407.831(b)(1) and (2).

(c) Reasonable and necessary ancillary expenses shall include the cost of books, tools, clothing specifically required for the job, fees, and other essential costs. (Continued)

~~.833 If a method has been approved in the State Plan for the CWD to provide allowances that reflect approximate costs of transportation and other costs of participation (except dependent care) rather than reimbursements, participants shall be provided an opportunity to claim actual expenses which exceed the CWD standard, up to \$25.00. (Continued)~~

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 273.1(d)(2); 7 CFR 273.7 ~~7 CFR 273.22(f)(3)~~; 7 U.S.C. 2014(e); 7 U.S.C 2015(d) and (o); 7 U.S.C. 2025(h); 7 U.S.C. 2029(a)(1); 7 U.S.C. 2029 and (e); 7 U.S.C. 2035; Sections 4121(c) and (d) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171); U.S.D.A. Food and Nutrition Service Administrative Notices 94-39, 97-22, 97-65, 98-33, 98-42, 98-57 and 99-05; U.S. Department of Labor guidance on FLSA, with attached U.S.D.A., Food and Nutrition Service (FNS) guidance on an Simplified Food Stamp Program (SFSP), dated May 22, 1997; and Simplified Food Stamp Program SFSP approval letters from FNS to implement the provisions of an SFSP, dated May 5, 2000 and August 3, 2000; and FNS letters to CDSS dated August 27, 2001 and November 13, 2001 regarding compliance with the food stamp work registration requirements and resumption of food stamp benefits after a disqualification; FNS policy interpretation dated September 16, 2003.

Amend Sections 63-408 to read:

63-408 VOLUNTARY QUIT AND REDUCTION OF WORK EFFORT

63-408

~~A food stamp work registrant shall not be eligible for participation in the program when that individual voluntarily quits employment without good cause as specified in this section. (Second sentence numbered to Section 63-408.112.) For the purpose of this section, employment shall mean 20 hours or more per week or weekly earnings equivalent to the federal minimum wage multiplied by 20 hours. (Fourth sentence numbered to Section 63-408.111.)~~

.1 (Renumbered to Section 63-408.211.)

.1 General Rule

An individual is ineligible to participate in the Food Stamp Program if the individual either voluntarily quits a job, as described in Section 63-408.11 or reduces the number of hours worked as described in Section 63-408.12.

.11 (Renumbered to Section 63-408.211(a).)

.11 Voluntary quit means resigning a job that is 30 hours or more per week or provides weekly earnings at least equivalent to the federal minimum wage multiplied by 30 hours. ~~If t~~The voluntary quit ~~must~~ occurs within 60 days ~~prior~~ to the date of application for food stamps ~~or anytime thereafter and must be~~ without good cause in accordance with Section 63-408.4, the application shall be denied for one, three, or six months as specified in Section 63-407.53.

.111 Changes in employment status that result from reducing hours of employment while working for the same employer, terminating a self-employment enterprise, or resigning from a job at the demand of the employer shall not be considered a voluntary quit for purposes of this section.

.112 If an individual quits a job, secures new employment that ~~entails~~ consists at least of the same number of hours or the same salary and is then laid off or, through no fault of his/her own, loses the new job, the earlier quit will not form the basis of a disqualification.

.12 (Renumbered to Section 63-408.213(a).) A reduction of work effort means voluntarily decreasing the number of hours worked in paid employment to less than 30 hours per week. ~~If the~~A reduction in hours worked ~~will not impact food stamp eligibility if unless the reduction occurred prior to~~ occurs within 60 days ~~of to the date of application, or anytime thereafter if it is determined that and the reduction is~~ without good cause as defined in Section 63-408.4, the application shall be denied for one, three, or six months as specified in Section 63-407.53.

- ~~.121~~ Following the end of the 90-day period identified in Section 63-408.12, an individual may begin participating in the food stamp program after reapplying and being determined eligible. If an individual reduces hours while working in a job of less than 30 hours per week, a food stamp disqualification shall not be imposed. The minimum wage ~~equivalent~~ equivalency does not apply when determining a reduction in work effort.
- ~~.122~~ Eligibility may be reestablished prior to expiration of the 90-day period and the individual shall, if otherwise eligible, be permitted to resume participation if he/she meets one of the criteria identified in Section 63-408.6.
- ~~.13~~ An individual identified in Section 63-408.12 shall not be considered to have committed an instance of noncompliance for purposes of determining the minimum length of food stamp sanctions subsequently imposed in accordance with Section 63-407.53.
- .14 (Renumbered to Section 63-408.214.)
- .2 (Renumbered to Section 63-408.221.)
- .2 Good Cause Determination, Notification, and Disqualifications
- ~~.21~~ (Renumbered to Section 63-408.222.)
- .21 Applicant Household
- ~~.211~~ (Renumbered to Section 63-408.222(a).)
- .211 When a household files an application applies for food stamp benefits, the CWD shall determine ~~whether if~~ any unemployed household member who is ~~required to register for work or is not~~ exempt from work registration in accordance with Section 63-407.321(g), has voluntarily quit a job ~~without good cause or reduced work effort~~ within 60 days ~~before filing an~~ prior to the date of application without good cause as specified in Sections 63-408.11, .12, and .121. For purposes of this section, ~~unemployed household members include persons employed less than 20 hours per week or receiving weekly earnings less than the Federal minimum wage multiplied by 20 hours.~~ The CWD shall process the application within the time frames specified in Section 63-301 and shall not delay benefits pending a voluntary quit or reduction of work effort good cause determination.
- ~~.14~~
- (a) If When the CWD learns that a household has lost a source of earned income or has experienced a reduction in income after the date of application, but before the household is certified, the CWD shall determine whether a voluntary quit or a reduction of work effort has occurred.

.212 (Renumbered to Section 63-408.222(b).)

.212 The CWD shall determine whether good cause exists in accordance with Section 63-408.4 upon determining an applicant voluntarily quit employment or reduced the number of hours being worked.

(a) (Renumbered to Section 63-408.222(b)(1).)

.213 (Renumbered to Section 63-408.222(d).)

.213 If the CWD determines that ~~an individual~~ **a household member** has voluntarily quit a job or reduced the number of hours being worked without good cause, the individual's food stamp application shall be denied for one, three, or six months in accordance with Section 63-407.531, .532, or .533. The first month of the disqualification period is the month in which the individual is determined ineligible. The individual is considered an ineligible household member in accordance with Section 63-402.228.

~~.12~~

(a) Upon a determination that an individual identified in Section 63-408.1 has voluntarily quit employment without good cause, the individual's application for participation shall be denied for a period of 90 days starting from the date of quit. The household shall be advised ~~notified~~ in writing of the reason for the denial, ~~and of the individual's right to reapply~~ **how to retain eligibility before the disqualification period begins, right to reapply if the individual becomes exempt in accordance with Section 63-408.3 during the disqualification period**, and ~~of the right to request a state hearing.~~

.214 (Renumbered to Section 63-408.222(e).)

.214 If a voluntary quit ~~or reduction in work effort~~ occurred prior to certification, but is not discovered by the CWD until after certification, a food stamp ~~sanction~~ **disqualification** shall be imposed in accordance with the procedures specified in Section 63-408.22.

.22 (Renumbered to Section 63-408.224.)

.22 Recipient Households

.221 When the CWD learns that a recipient household ~~in receipt of food stamps~~ has lost a source of earned income ~~or has experienced a reduction in income~~, the CWD shall determine whether an individual, who is a work registrant in the household, has voluntarily quit a job ~~or reduced work effort below 30 hours per week~~. The CWD shall determine ~~and whether there was good cause for the voluntary quit or reduced hours as defined in Section 63-408.4~~. Benefits shall not be delayed pending ~~this good cause~~ determination.

.2122 Upon a determination that the voluntary quit or reduction of work effort was ~~not for without~~ good cause, the CWD shall issue a notice of adverse action informing the household of the ~~sanction~~ disqualification being imposed on the noncompliant work registrant. The notice shall be issued within 10 days of making the determination. In addition to the requirements specified in Section 63-504.21, the notice shall:

.211 (a) Explain the reason for the proposed disqualification;

.212 (b) Specify that the ~~sanction~~ disqualification period shall begin the first of the month following the month the registrant is provided a timely notice of action and shall continue for the period identified in Section 63-407.53.

(a1) The notice shall inform the ~~registrant~~ household member that if, at any time, he/she becomes exempt in accordance with Section 63-408.612 during a disqualification period, the ~~sanction~~ disqualification shall end and he/she may ~~reapply for~~ resume receipt of reapply for food stamps.

(c) Provide that the ~~individual~~ household member may reapply for food stamps after the disqualification period ends;

.213 (d) Explain the actions ~~which that~~ may be taken to avoid or end the a disqualification period ~~and the conditions under which the registrant may reapply;~~ and

.214 (e) Inform the ~~registrant~~ household member of the right to request a state hearing. If a state hearing is requested, food stamps shall be continued participation shall be in accordance with as specified in Section 63-804.6. If a ~~participating registrant's~~ food stamp benefits are continued pending a state hearing and the CWD's determination is upheld, the disqualification period shall begin the first of the month after the hearing decision is rendered.

.223 If it is determined an individual, who is a work registrant, has voluntarily quit a job or reduced work effort to less than 30 hours per week without good cause as specified in Section 63-408.4, the individual is ineligible for food stamps and shall be excluded as a household member in accordance with Section 63-402.228.

.224 If ~~a registrant~~ the household member leaves the Food Stamp pProgram before the ~~sanction~~ disqualification can be imposed, the period of ineligibility shall run continuously beginning with the first of the month after the expiration of the adverse notice period; unless ~~it~~ the disqualification is ended in accordance with Section 63-408.6.

~~.2325~~ If the voluntary quit or reduction of work effort occurred in the last month of a certification period or is determined during the last month in the last 30 days of a the certification period, ~~the noncompliant registrant shall be denied eligibility for the period specified in Section 63-407.53, unless he/she becomes exempt in accordance with Section 63-408.612~~ disqualification requirements at Section 63-408.22 shall apply. The period of disqualification begins the day after the last certification period ends and continues for the length of the disqualification regardless of whether the individual reapplies for food stamps.

.3 Exemptions from ~~Voluntary~~ Quit and Reduction of Work Effort Disqualifications provisions:

The following persons are exempt from voluntary quit provisions:

- .31 ~~Person exempt at the time of quit from the work registration provisions as stated in Section 63-407.21, except for those exempt for working a minimum of 30 hours weekly or receiving weekly earnings at least equal to the federal minimum wage multiplied by 30 hours, including migrant or seasonal farm workers under agreement to be employed within 30 days (Section 63-407.21(g)).~~ Individuals, who qualify for one of the work **registration requirement** exemptions at Section 63-407.21, shall be excused from the voluntary quit or reduction of work effort disqualification provision, and may regain food stamp eligibility by reapplying if otherwise eligible.
- .32 ~~Strikers, as defined in Section 63-402.9, except for an employee of the federal, state or local government, who has been dismissed because of his/her participation in a strike against such government.~~

.4 Good ~~e~~Cause:

The CWD shall be responsible for determining good cause in those instances where a work registrant has voluntarily quit a job or reduced work effort. The CWD shall consider the facts and circumstances, which ~~includes~~ including information submitted by the ~~household~~ registrant involved individual and the employer.

.41 ~~Good cause for leaving employment~~ voluntary quitting a job or reducing work effort shall include: (Continued)

- (e) Acceptance by the ~~work registrant~~ individual of employment, or enrollment of at least half-time in any recognized school, training program or institution of higher education ~~preparatory to seeking better jobs or employment~~, that requires the ~~registrant~~ individual to leave employment;
- (f) Acceptance by any other household member of employment or enrollment at least half-time in any recognized school, training program or institution of higher education ~~preparatory to seeking better jobs or employment~~ in another

county or state which requires the household to move and thereby requires the work registrant to leave employment; (Continued)

- (h) Acceptance of a bona fide offer of employment of ~~more than 20 30~~ more hours or more a week, or in which the weekly earnings are equivalent to the federal minimum wage multiplied by ~~20 30~~ hours, ~~or which~~, because of circumstances beyond the control of the ~~work registrant individual~~, the job subsequently either does not materialize or result in employment of less than ~~20 30~~ hours a week, or weekly earnings of less than the federal minimum wage multiplied by ~~20 30~~ hours. (Continued)
- (i) Leaving a job in connection with patterns of employment in which workers frequently ~~more~~ move from one employer to another such as migrant farm labor or construction work. There may be some circumstances where registrants will apply for food stamp benefits between jobs particularly in cases where work may not yet be available at the new job site. Even though employment at the new site has not actually begun, the registrant shall be considered to have quit with good cause if the quitting of the previous employment is a part of the pattern of that type of employment. (Continued)

.5 Verification

To the extent that good cause for voluntary quit or reduction of work effort is questionable, ~~as defined in Section 63-300.53~~, the CWD shall request verification of the registrant's statements in accordance with Section 63-300.533(g)(3)(C).

.6 Ending a ~~Voluntary Quit~~ Disqualification for Voluntary Quit or Reduction of Work Effort

.61 Following the end of the minimum disqualification period ~~identified~~ specified in Section 63-407.531, .532, or .533, ~~a registrant may begin participating in the Program after reapplying and being determined eligible if the individual;~~ eligibility for food stamps may be reestablished if the individual, who is otherwise eligible, applies and is determined by the CWD to be in compliance with the food stamp work registration requirements provided in Section 63-407.4. In compliance means the individual is fulfilling one of the food stamp work registration requirements or agrees to fulfill the requirements as specified by the CWD at application.

~~.611 Secures new employment which is comparable in salary or hours to the job which was quit. This may entail fewer hours or a lower net salary than the job that was quit, so long as either the hours worked or the wages paid are at least the same, or~~

.612 If at any time during the period of disqualification an individual Qualifies for one of the work registration exemptions listed at Section 63-407.21, other than the exemptions specified in Section 63-407.21(e), (e), or (g) the disqualification period shall end and the individual may reestablish food stamp **benefits-eligibility by reapplying** if otherwise eligible.

(a) ~~This provision applies at any time during the period of disqualification.~~

- .63 When an application is filed in the final month of a food stamp disqualification period, the CWD must use the same application for both the denial of food stamp benefits in the remaining disqualification month and for certification of benefits for the subsequent month(s) as specified in Section 63-503.14, which provides the provisions for determining household eligibility and benefit levels.
- .624 An individual, ~~subject to the ABAWD work requirements of Section 63-410~~ who is also disqualified for not meeting the food stamp work requirements (e.g., voluntary quitting a job) and is discontinued for failing to comply with the 80 hours per month ABAWD work requirement ~~with the requirements of that section~~, may ~~not~~ regain food stamp eligibility if after the disqualification period has ended, he/she complies with ~~until the conditions requirements of Section 63-410.5 are met or becomes exempt under Section 63-410.3 during the disqualification period.~~

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; California Code of Regulations, Title 22, Division 12, Chapter 1 commencing with Section 101151, Chapter 2 commencing with Section 101251, and Chapter 3 commencing with Section 102351.1; 7 U.S.C. 2015(d)(1) and (o); ~~Public Law 104-193, Sections 815 and 824 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); U.S.D.A. Food and Consumer Service Administrative Notices 97-22 and 97-65; 7 CFR 273.2(g); and 7 CFR 273.7(a) (b), (f), (i), and (j); Food and Nutrition Service (FNS) letter to CDSS dated November 13, 2001 regarding resumption of food stamp benefits after a disqualification; FNS policy interpretation dated September 16, 2003.~~

Amend Sections 63-410.2, .3, .4, and .5 to read:

63-410 FOOD STAMP WORK REQUIREMENT FOR ABLE-BODIED ADULTS 63-410
WITHOUT DEPENDENTS (ABAWD) (Continued)

.2 **Satisfying the** ABAWD Work Requirement ~~Defined~~ (Continued)

.22 **Good Cause**

.221 If an individual works an average of 80 hours per month but missed some scheduled work for a circumstance beyond his/her control and the absence is temporary and the individual retains his/her job, the individual shall have met the ABAWD work requirement for the month. As defined in Section 63-407.5, good cause for circumstances beyond the individual's control includes, but is not limited to, illness, illness of another household member requiring the presence of the ABAWD, a household emergency, or the unavailability of transportation.

.222 An individual satisfying the ABAWD work requirement through FSET, who missed scheduled work in a month for circumstances beyond his/her control provided in Section 63-410.221, shall have met the ABAWD work requirement and complied with the FSET assignment for that month.

.3 Exemptions

The following individuals are exempt from the ABAWD work requirement: (Continued)

.34 Individuals who qualify for the 15 percent ABAWD exemption determined by the CWD. The number of individuals, who can be exempted by a CWD each year under this section and the duration of these exemptions, are limited to the number of ABAWD exemption months allocated each year by CDSS to each CWD.

.34

.35 (Continued)

.356 Persons who become exempt after having lost eligibility in accordance with Sections 63-410.4 or .522; are not subject to the ABAWD work requirement while exempt and may resume receiveing food stamps by reapplying if otherwise eligible.

.4 Loss of Eligibility

.41 When the CWD determines that an individual has failed to meet the ABAWD work requirement for three countable months during the 36-month period identified in Section 63-410.1, the CWD shall issue a timely notice in the third month to discontinue the individual's food stamp benefits. In addition to the timely and adequate requirements specified in Section 63-504.21, the notice shall: (Continued)

- .413 Provide that for any of the three countable months identified in Section 63-410.412 evidence may be presented that demonstrates the individual may present evidence which demonstrates that the ABAWD work requirement was fulfilled for any of the months identified in Section 63-410.412 met or was exempt from the ABAWD work requirement, or that good cause existed in accordance with Section 63-410.221; and (Continued)
- .42 If the individual submits evidence which demonstrates that the ABAWD work requirement was satisfied to permit continued eligibility, the notice identified in Section 63-410.41 shall be rescinded and any food stamps inappropriately denied shall be restored. If the ABAWD provides evidence that demonstrates he/she should not lose food stamp eligibility, the CWD shall rescind the notice and restore any benefits that were inappropriately withheld. (Continued)
- .5 **Regaining Eligibility (Continued)**
- .52 When, during the 36-month calendar period identified in Section 63-410.1, an individual ~~subsequently~~ stops performing the ABAWD work requirement after regaining eligibility in accordance with Section 63-410.51, ~~that person~~ the individual shall remain eligible for food stamps for a period of three consecutive countable months, beginning on the first month following the date the individual ~~individual~~ ABAWD notifies the county CWD or the CWD learns that ~~he/she~~ the individual is not satisfying the ABAWD work requirement. The CWD shall provide a 10 day notice informing the individual of his/her change in status. If the individual has been meeting the ABAWD work requirement by participating in county workfare or another an-allowable work activity as specified in Section 63-410.213, the three consecutive countable months shall start the first month following on the date the CWD notifies the individual that he/she is no longer meeting the ABAWD work requirement. (Continued)
- ~~.523 A county shall issue food stamps when an individual identified in Section 63-410.521 begins satisfying the ABAWD work requirement. If the individual remains eligible, benefits shall be issued until the CWD learns that the ABAWD work requirement is no longer being met.~~

Authority Cited: Sections 10553, 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 U.S.C. 2015(d) and (o); ~~Implementation instructions received from Yvette S. Jackson, Deputy Administrator, Food and Consumer Service (FCS), in August 1996; and Waiver letter received from Yvette S. Jackson, Deputy Administrator, FCS, dated August 26, 1996; instructions received from Dennis Stewart, Regional Director of the Food Stamp Program, Food and Nutrition Service (FNS) dated April 21, 1998, instructions received from Dennis Stewart, Regional Director of the Food Stamp Program, FNS dated March 12, 1999; Administrative~~

Notice (ANs) 97-44; 98-33, 98-34, and 98-57; and 7 CFR 273.7(f); 7 CFR 273.13; 7 CFR 273.24(b), (c), (e), and (g); 45 CFR 400.154; FNS policy interpretation dated September 16, 2003; FNS letter dated July 25, 2003.

PROPOSED

Amend Sections 63-411.21, .22, and .3 to read:

63-411 CFAP WORK REQUIREMENTS (Continued)

63-411

- .2 CFAP recipients who do not receive CalWORKs must satisfy the Able-Bodied Adult Without Dependents (ABAWD) work requirement defined at Section 63-410.
- .21 Exemptions at Section 63-410.23 apply to ~~non-CalWORKs~~ ABAWD CFAP recipients ~~identified in Section 63-411.2.~~
- .22 Effective April 1, 2003, if an ABAWD CFAP recipient begins receiving federal food stamps after reaching his/her five-year residency requirement, CWDs must establish a new 36-month period in accordance with Section 63-410.1 and begin tracking the 36-month calendar on the Medi-Cal Eligibility Data System (MEDS) as specified in Section 63-410.14.
- .3 Food stamp work registration requirements at Section 63-407 and voluntary quit and reduction of work effort requirements at Section 63-408 apply to CFAP recipients who do not receive CalWORKs. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Section 18930.5 (as added by AB 2779, Statutes of 1998, Section 35); Article 3.2 of Chapter 2 of Part 3 of Division 9, Welfare and Institutions Code; ~~and~~ AB 1111, Chapter 147, Statutes of 1999; 7 CFR 273.7; 8 U.S.C. 1612(a)(2); Section 4401(c) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171); and Administrative Notice 03-04, dated October 21, 2002.

Amend Section 63-503.442 to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND
BENEFIT LEVELS (Continued)

63-503

.4 Households with Special Circumstances (Continued)

.44 Treatment of Income and Resources of Excluded Members (Continued)

.442 Household Members Excluded for SSN Disqualification, ~~or Ineligible Alien Noncitizen Status, or Failure to Meet ABAWD Work Requirement~~

The eligibility and monthly allotment ~~of any remaining household members of~~ for a household containing an individual, who is excluded for being an ineligible alien noncitizen, or because of disqualification disqualified for refusal or failure ~~without good cause to apply for or provide an SSN, or discontinued for not satisfying the ABAWD work requirement~~ shall be determined as follows: (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii), (c)(3)(i), (ii) and (e)(1)(i) as published in the Federal Register, Volume 59, No. 110 on June 9, 1994; 7 CFR 273.2(j)(4); 7 CFR 273.4(c)(2), (c)(2)(i), (c)(2)(i)(A), (c)(2)(iv), (c)(2)(v), (c)(3)(v), and (e)(1) and (2); 7 CFR 273.9(b)(1)(ii) and (b)(2)(ii); 7 CFR 273.10; 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii), (c)(3)(ii), proposed amended 7 CFR 273.10(d) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (d)(1)(i), (d)(2), (d)(3), (d)(4), and proposed (d)(8) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and proposed amended 7 CFR 273.10(e)(1)(i)(E-H) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.11(a)(1)(i) through (iii), (a)(2)(i), (b)(1), (b)(1)(i) and (ii), (c), (c)(1), (c)(2), (c)(2)(iii), (c)(3)(ii), (d)(1), and (e)(1); 7 CFR 273.12(c)(3)(iv); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (S); 7 CFR 273.24(b)(4); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) ____ F. Supp. ____; Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990, U.S.D.A., Food and Consumer Services; Administrative Notice No. 89-12, No. 92-23, dated February 20, 1992, No. 94-39, and No. 94-65; Public Law (P.L.) 100-435, Section 351, and P.L. 101-624, Section 1717; [7 United States Code (U.S.C.) 2012, 2014(e), and 2017(c)(2)(B)]; 7 U.S.C. 2015(d)(1); 8 U.S.C. 1631, P.L. 104-193, Sections 115, 815, 821, 827 and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Food Stamp Policy Memos 82-9 dated December 8, 1981, and 88-4 dated November 13, 1987, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

Amend Sections 63-505.34 and .517 to read:

63-505 HOUSEHOLD RESPONSIBILITIES (Continued)

63-505

.3 Reported Information for Monthly Reporting Households

Households shall report on a monthly basis, the following information about the household: (Continued)

.34 A reduction of work effort to less than 20 hours per week, or averaged monthly 80 hours a month, for purposes of determining whether an ABAWD has satisfied the work requirement defined in Section 63-410.2. (Continued)

.5 Reporting Changes for Households Excluded from Monthly Reporting Requirements

.51 Household Responsibility to Report

The CWD shall not impose any food stamp reporting requirements on nonmonthly reporting households except as provided in Sections 63-505.511 through .5167. Certified households shall report the following changes in circumstances: (Continued)

.517 A reduction of work effort to less than 20 hours per week, or averaged monthly 80 hours a month, for purposes of determining whether an ABAWD has satisfied the work requirement specified in Section 63-410.2. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 272.4(f); 7 CFR 273.2(j)(3) and (4); 7 CFR 273.10(d)(4); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12, (a)(1)(i), and proposed .12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.2(d); proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.21(b), (b)(4), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3), and (i); 7 CFR 273.12(a)(1)(vii); 7 CFR 273.24(a)(1)(i) and (b)(7); P.L. 100-435, Section 351; P.L. 101-624, Section 1717 [7 U.S.C. 2014(e)] and Section 1723 [7 U.S.C. 2015(c)(1)(A)]; P.L. 102-237, Section 908 [7 U.S.C. 2016(h)(1)]; Food and Consumer Services Administrative Notice 96-13, dated December 7, 1995; Letter from Food and Consumer Services to Fred Schack, dated March 25, 1996; Food Stamp Act of 1977; and Sections 10554, 10830, and 18904, Welfare and Institutions Code.